

SCHWARTZER & MCPHERSON LAW FIRM
 2850 South Jones Boulevard, Suite 1
 Las Vegas, Nevada 89146-5308
 Tel: (702) 228-7590 · Fax: (702) 892-0122

Annette W. Jarvis, Utah Bar No. 1649
 RAY QUINNEY & NEBEKER P.C.
 36 South State Street, Suite 1400
 P.O. Box 45385
 Salt Lake City, Utah 84145-0385
 Telephone: (801) 532-1500
 Facsimile: (801) 532-7543
 Email: ajarvis@rqn.com

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and

Lenard E. Schwartzer
 Nevada Bar No. 0399
 Jeanette E. McPherson
 Nevada Bar No. 5423
 Schwartzer & McPherson Law Firm
 2850 South Jones Boulevard, Suite 1
 Las Vegas, Nevada 89146-5308
 Telephone: (702) 228-7590
 Facsimile: (702) 892-0122
 E-Mail: bkfilings@s-mlaw.com
 Attorneys for Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

Chapter 11

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 Debtor.

Jointly Administered Under
Case No. BK-S-06-10725 LBR

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

MONTHLY OPERATING REPORT
(AFFECTS USA CAPITAL REALTY
ADVISORS, LLC)

Affects:
☐ All Debtors
☐ USA Commercial Mortgage Company
☐ USA Securities, LLC
☒ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA First Trust Deed Fund, LLC

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: USA Capital Realty Advisors, LLC

Case No. 06-10726-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 04/30/06PETITION DATE: 04/13/06

<p>1 Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U S Trustee or the Court has approved the Cash Basis of Accounting for the Debtor)</p> <p>Dollars reported in <u>\$1</u></p>			
<p>2 Asset and Liability Structure</p> <p>a Current Assets</p> <p>b Total Assets - See Note 2 below</p> <p>c Current Liabilities</p> <p>d Total Liabilities - See Note 2 below</p>	<p>End of Current Month</p> <p>\$0</p> <p>\$0</p> <p>\$0</p> <p>\$0</p>	<p>End of Prior Month</p> <p></p> <p></p> <p>\$0</p> <p></p>	<p>As of April 13, 2006</p> <p></p> <p></p> <p></p> <p></p>
<p>3 Statement of Cash Receipts & Disbursements for Month</p> <p>a Total Receipts</p> <p>b Total Disbursements</p> <p>c Excess (Deficiency) of Receipts Over Disbursements (a - b)</p> <p>d Cash Balance Beginning of Month</p> <p>e Cash Balance End of Month (c + d)</p>	<p>Current Month</p> <p>\$0</p> <p>\$0</p> <p>\$0</p> <p>\$122,706</p> <p>\$122,706</p>	<p>Prior Month</p> <p></p> <p></p> <p>\$0</p> <p></p> <p>\$0</p>	<p>Cumulative (Case to Date)</p> <p>\$0</p> <p>\$0</p> <p>\$0</p> <p>\$122,706</p> <p>\$122,706</p>
<p>4 Profit/(Loss) from the Statement of Operations</p> <p>5 Account Receivables (Pre and Post Petition)</p> <p>6 Post-Petition Liabilities</p> <p>7 Past Due Post-Petition Account Payables (over 30 days)</p>	<p>Current Month</p> <p>\$0</p> <p>\$0</p> <p>\$0</p>	<p>Prior Month</p> <p></p> <p></p> <p></p>	<p>Cumulative (Case to Date)</p> <p></p> <p></p> <p></p>
<p>At the end of this reporting month:</p> <p>8 Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)</p> <p>9 Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)</p> <p>10 If the answer is yes to 8 or 9, were all such payments approved by the court?</p> <p>11 Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)</p> <p>12 Is the estate insured for replacement cost of assets and for general liability?</p> <p>13 Are a plan and disclosure statement on file?</p> <p>14 Was there any post-petition borrowing during this reporting period?</p>	<p>Yes</p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p>	<p>No</p> <p>x</p> <p>x</p> <p></p> <p>x</p> <p>x</p> <p>x</p>	
<p>15 Check if paid: Post-petition taxes <input type="checkbox"/> ; U S Trustee Quarterly Fees <input type="checkbox"/> ; Check if filing is current for: Post-petition tax reporting and tax returns: <input type="checkbox"/></p> <p>(Attach explanation, if post-petition taxes or U S Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current)</p>			

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct

Date: _____

Responsible Individual

STATEMENT OF OPERATIONS

SUBJECT TO EXTENSION

(General Business Case)

For the Month Ended 04/30/06

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
		\$0	Revenues:		
		\$0	1 Gross Sales		
\$0	\$0	\$0	2 less: Sales Returns & Allowances		
\$0		\$0	3 Net Sales	\$0	\$0
\$0	\$0	\$0	4 less: Cost of Goods Sold (Schedule 'B')		
		\$0	5 Gross Profit	\$0	\$0
		\$0	6 Interest		
		\$0	7 Other Income:		
		\$0	8		
		\$0	9		
\$0	\$0	\$0	10 Total Revenues	\$0	\$0
		\$0	Expenses:		
		\$0	11 Compensation to Owner(s)/Officer(s)		
		\$0	12 Salaries		
		\$0	13 Commissions		
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
		\$0	15 Personal Property		
		\$0	16 Real Property		
		\$0	17 Insurance		
		\$0	18 Management Fees		
		\$0	19 Depreciation		
		\$0	Taxes:		
		\$0	20 Employer Payroll Taxes		
		\$0	21 Real Property Taxes		
		\$0	22 Other Taxes		
		\$0	23 Other Selling		
		\$0	24 Other Administrative		
		\$0	25 Interest		
		\$0	26 Other Expenses:		
		\$0	27		
		\$0	28		
		\$0	29		
		\$0	30		
		\$0	31		
		\$0	32		
		\$0	33		
		\$0	34		
\$0	\$0	\$0	35 Total Expenses	\$0	\$0
\$0	\$0	\$0	36 Subtotal	\$0	\$0
		\$0	Reorganization Items:		
		\$0	37 Professional Fees		
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
		\$0	41 U S Trustee Quarterly Fees		
		\$0	42		
\$0	\$0	\$0	43 Total Reorganization Items	\$0	\$0
\$0	\$0	\$0	44 Net Profit (Loss) Before Federal & State Taxes	\$0	\$0
		\$0	45 Federal & State Income Taxes		
\$0	\$0	\$0	46 Net Profit (Loss)	\$0	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 04/30/06

SUBJECT TO EXTENSION

AssetsFrom SchedulesMarket Value**Current Assets**

1	Cash and cash equivalents - unrestricted		
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	\$0
4	Inventory	B	\$0
5	Prepaid expenses		
6	Professional retainers		
7	Other: _____		
8	_____		
9	Total Current Assets		\$0

Property and Equipment (Market Value)

10	Real property	C	\$0
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$0
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	Total Property and Equipment		\$0

Other Assets

22	Loans to shareholders		
23	Loans to affiliates		
24	_____		
25	_____		
26	_____		
27	_____		
28	Total Other Assets		\$0
29	Total Assets		\$0

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity
(General Business Case)

SUBJECT TO EXTENSION

Liabilities From Schedules**Post-Petition****Current Liabilities**

30	Salaries and wages		
31	Payroll taxes		
32	Real and personal property taxes		
33	Income taxes		
34	Sales taxes		
35	Notes payable (short term)		
36	Accounts payable (trade)	A	\$0
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other: _____		
42	_____		
43	_____		
44	Total Current Liabilities		\$0

45	Long-Term Post-Petition Debt, Net of Current Portion		
----	---	--	--

46	Total Post-Petition Liabilities		\$0
----	--	--	------------

Pre-Petition Liabilities (allowed amount)

47	Secured claims	F	\$0
48	Priority unsecured claims	F	\$0
49	General unsecured claims - See Note 2 on Summary	F	
50	Total Pre-Petition Liabilities		\$0
51	Total Liabilities		\$0

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing		
53	Capital Stock		
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		
56	Post-petition contributions/(distributions) or (draws)		
57	_____		
58	Market value adjustment		
59	Total Equity (Deficit)		\$0
60	Total Liabilities and Equity (Deficit)		\$0

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days			
31-60 Days			
61-90 Days			
91+ Days			
Total accounts receivable/payable	\$0	\$0	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

Schedule B

Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)	Inventory(ies) Balance at End of Month	Cost of Goods Sold	
		Inventory Beginning of Month	
		Add -	
Retail/Restaurants -		Net purchase	
Product for resale		Direct labor	
		Manufacturing overhead	
Distribution -		Freight in	
Products for resale		Other:	
Manufacturer -			
Raw Materials			
Work-in-progress			
Finished goods			
Other - Explain			
TOTAL	\$0	Cost of Goods Sold	\$0

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____

Monthly _____

Quarterly _____

Semi-annually _____

Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost _____

LIFO cost _____

Lower of cost or market _____

Retail method _____

Other _____

Explain _____

Schedule C
Real Property

Description	<u>Cost</u>	<u>Market Value</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Schedule D
Other Depreciable Assets

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Furniture & Fixtures -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Office Equipment -		
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Leasehold Improvements -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Vehicles -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed Amount</u>	<u>Allowed Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes		
Priority tax claims		
General unsecured claims - See Note 2 on Summary Page		

- (a) List total amount of claims even if under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank				
Account Type				
Account No.				
Account Purpose				
Balance, End of Month				
Total Funds on Hand for all Accounts	\$0			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 04/30/06

		Actual <u>Current Month</u>	Cumulative <u>(Case to Date)</u>
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7			
8			
9			
10			
11			
12	Total Cash Receipts	\$0	\$0
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		
20	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)		
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes		
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33			
34			
35			
36			
37			
38	Total Cash Disbursements:	\$0	\$0
39	Net Increase (Decrease) in Cash	\$0	\$0
40	Cash Balance, Beginning of Period	\$122,706	\$122,706
41	Cash Balance, End of Period	\$122,706	\$122,706

STATEMENT OF CASH FLOWS
 (Optional) Increase/(Decrease) in Cash and Cash Equivalents
 For the Month Ended 04/30/06

	<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Flows From Operating Activities		
1 Cash Received from Sales		
2 Rent/Leases Collected		
3 Interest Received		
4 Cash Paid to Suppliers		
5 Cash Paid for Selling Expenses		
6 Cash Paid for Administrative Expenses		
Cash Paid for Rents/Leases:		
7 Personal Property		
8 Real Property		
9 Cash Paid for Interest		
10 Cash Paid for Net Payroll and Benefits		
Cash Paid to Owner(s)/Officer(s)		
11 Salaries		
12 Draws		
13 Commissions/Royalties		
14 Expense Reimbursements		
15 Other		
Cash Paid for Taxes Paid/Deposited to Tax Acct		
16 Employer Payroll Tax		
17 Employee Withholdings		
18 Real Property Taxes		
19 Other Taxes		
20 Cash Paid for General Expenses		
21		
22		
23		
24		
25		
26		
27 Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$0	\$0
Cash Flows From Reorganization Items		
28 Interest Received on Cash Accumulated Due to Chp 11 Case		
29 Professional Fees Paid for Services in Connection with Chp 11 Case		
30 U S Trustee Quarterly Fees		
31		
32 Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33 Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$0	\$0
Cash Flows From Investing Activities		
34 Capital Expenditures		
35 Proceeds from Sales of Capital Goods due to Chp 11 Case		
36		
37 Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities		
38 Net Borrowings (Except Insiders)		
39 Net Borrowings from Shareholders, Partners, or Other Insiders		
40 Capital Contributions		
41 Principal Payments		
42		
43 Net Cash Provided (Used) by Financing Activities	\$0	\$0
44 Net Increase (Decrease) in Cash and Cash Equivalents	\$0	\$0
45 Cash and Cash Equivalents at Beginning of Month	\$122,706	\$122,706
46 Cash and Cash Equivalents at End of Month	\$122,706	\$122,706

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: USA Capital Realty Advisors, LLC

Case No. 06-10726-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 04/30/06PETITION DATE: 04/13/06

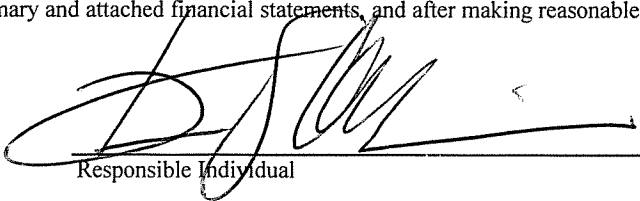
1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of April 13, 2006</u>
2. Asset and Liability Structure			
a. Current Assets	<u>\$1,224,955</u>		
b. Total Assets	<u>\$1,389,089</u>		<u>\$1,272,125</u>
c. Current Liabilities	<u>\$992</u>	<u>\$0</u>	
d. Total Liabilities	<u>\$126,216</u>		<u>\$125,224</u>
			Cumulative (Case to Date)
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	
a. Total Receipts	<u>\$0</u>		<u>\$0</u>
b. Total Disbursements	<u>\$0</u>		<u>\$0</u>
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
d. Cash Balance Beginning of Month	<u>\$122,706</u>		<u>\$122,706</u>
e. Cash Balance End of Month (c + d)	<u>\$122,706</u>	<u>\$0</u>	<u>\$122,706</u>
	<u>Current Month</u>	<u>Prior Month</u>	Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations	<u>\$115,506</u>		<u>\$115,506</u>
5. Account Receivables (Pre and Post Petition)	<u>\$1,102,249</u>		
6. Post-Petition Liabilities	<u>\$992</u>		
7. Past Due Post-Petition Account Payables (over 30 days)	<u>\$0</u>		

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | | <u>x</u> |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | | <u>x</u> |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | | |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | | <u>x</u> |
| 12. Is the estate insured for replacement cost of assets and for general liability? | | <u>x</u> |
| 13. Are a plan and disclosure statement on file? | | <u>x</u> |
| 14. Was there any post-petition borrowing during this reporting period? | | <u>x</u> |
15. Check if paid: Post-petition taxes N/A ; U.S. Trustee Quarterly Fees X ; Check if filing is current for: Post-petition tax reporting and tax returns: N/A .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 7/20/06

Responsible Individual

STATEMENT OF OPERATIONS

(General Business Case)

For the Month Ended 04/30/06

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
\$116,757		\$116,757	Revenues:		
		\$0	1 Gross Sales	\$116,757	
\$116,757	\$0	\$116,757	2 less: Sales Returns & Allowances		
\$0		\$0	3 Net Sales	\$116,757	\$0
\$116,757	\$0	\$116,757	4 less: Cost of Goods Sold (Schedule 'B')		
		\$0	5 Gross Profit	\$116,757	\$0
		\$0	6 Interest		
		\$0	7 Other Income:		
		\$0	8		
		\$0	9		
\$116,757	\$0	\$116,757	10 Total Revenues	\$116,757	\$0
		\$0	Expenses:		
		\$0	11 Compensation to Owner(s)/Officer(s)		
		\$0	12 Salaries		
		\$0	13 Commissions		
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
		\$0	15 Personal Property		
		\$0	16 Real Property		
		\$0	17 Insurance		
		\$0	18 Management Fees		
		\$0	19 Depreciation		
		\$0	Taxes:		
		\$0	20 Employer Payroll Taxes		
		\$0	21 Real Property Taxes		
		\$0	22 Other Taxes		
\$260		(\$260)	23 Other Selling	\$260	
\$991		(\$991)	24 Other Administrative	\$991	
		\$0	25 Interest		
		\$0	26 Other Expenses:		
		\$0	27		
		\$0	28		
		\$0	29		
		\$0	30		
		\$0	31		
		\$0	32		
		\$0	33		
		\$0	34		
\$1,251	\$0	(\$1,251)	35 Total Expenses	\$1,251	\$0
\$115,506	\$0	\$115,506	36 Subtotal	\$115,506	\$0
		\$0	Reorganization Items:		
		\$0	37 Professional Fees		
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
		\$0	41 U.S. Trustee Quarterly Fees		
		\$0	42		
\$0	\$0	\$0	43 Total Reorganization Items	\$0	\$0
\$115,506	\$0	\$0	44 Net Profit (Loss) Before Federal & State Taxes	\$115,506	\$0
		\$0	45 Federal & State Income Taxes		
\$115,506	\$0	\$0	46 Net Profit (Loss)	\$115,506	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only).

BALANCE SHEET
(General Business Case)
For the Month Ended 04/30/06

Assets**From Schedules****Market Value¹****Current Assets**

1	Cash and cash equivalents - unrestricted		\$122,706
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	\$1,102,249
4	Inventory	B	\$0
5	Prepaid expenses		
6	Professional retainers		
7	Other: _____		
8	_____		
9	Total Current Assets		\$1,224,955

Property and Equipment (Market Value)

10	Real property	C	\$0
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$0
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	Total Property and Equipment		\$0

Other Assets

22	Loans to shareholders		
23	Loans to affiliates		
24	Investments		\$147,751
25	Other Personal Property - Prepaids		\$16,383
26	_____		
27	_____		
28	Total Other Assets		\$164,134
29	Total Assets		\$1,389,089

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

1 - The method used to estimate the market value of assets was net book value at the end of the current reporting period as market value has not been determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages		
31	Payroll taxes		
32	Real and personal property taxes		
33	Income taxes		
34	Sales taxes		
35	Notes payable (short term)		
36	Accounts payable (trade)	A	\$992
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other:		
42			
43			
44	Total Current Liabilities		\$992

Long-Term Post-Petition Debt, Net of Current Portion

46	Total Post-Petition Liabilities		\$992
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Pre-Petition Liabilities (allowed amount)¹

47	Secured claims ¹	F	\$0
48	Priority unsecured claims ¹	F	\$0
49	General unsecured claims ¹	F	\$125,224
50	Total Pre-Petition Liabilities		\$125,224
51	Total Liabilities		\$126,216

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing		\$1,147,367
53	Capital Stock		
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		\$115,506
56	Post-petition contributions/(distributions) or (draws)		
57			
58	Market value adjustment		
59	Total Equity (Deficit)		\$1,262,873
60	Total Liabilities and Equity (Deficit)		\$1,389,089

NOTE:

1 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court. The pre-petition liabilities' amounts above reflect the claimed amounts filed on Schedules.

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days	\$206,042	\$992	
31-60 Days	\$207,352		
61-90 Days	\$168,911		\$0
91+ Days	\$519,944		
Total accounts receivable/payable	\$1,102,249	\$992	
Allowance for doubtful accounts			
Accounts receivable (net)	\$1,102,249		

Schedule B

Inventory/Cost of Goods Sold

<u>Types and Amount of Inventory(ies)</u>	<u>Inventory(ies) Balance at End of Month</u>	<u>Cost of Goods Sold</u>
		Inventory Beginning of Month
		Add -
Retail/Restaurants -		Net purchase
Product for resale		Direct labor
		Manufacturing overhead
Distribution -		Freight in
Products for resale		Other:
Manufacturer -		
Raw Materials		
Work-in-progress		Less -
Finished goods		Inventory End of Month
		Shrinkage
Other - Explain		Personal Use
		Cost of Goods Sold
		\$0
TOTAL	\$0	

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____
Monthly _____
Quarterly _____
Semi-annually _____
Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost _____
LIFO cost _____
Lower of cost or market _____
Retail method _____
Other _____
Explain _____

**Schedule C
Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

**Schedule D
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Furniture & Fixtures -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Office Equipment -		
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Leasehold Improvements -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Vehicles -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed¹</u> <u>Amount</u>	<u>Allowed²</u> <u>Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes		
Priority tax claims		
General unsecured claims	\$125,224	

(a) List total amount of claims even if under secured.

(b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Community Bank			
Account Type	General Operating			
Account No.	10303691			
Account Purpose	General Operating			
Balance, End of Month	\$122,706			
Total Funds on Hand for all Accounts	\$122,706			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

NOTES:

1 - Claimed Amounts reflects amounts filed on schedules and is subject to change as proof of claims are filed and further pre-petition invoices are identified.

2 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended** 04/30/06

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7			
8			
9			
10			
11			
12	Total Cash Receipts	\$0	\$0
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		
20	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)		
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes		
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33			
34			
35			
36			
37			
38	Total Cash Disbursements:	\$0	\$0
39	Net Increase (Decrease) in Cash	\$0	\$0
40	Cash Balance, Beginning of Period	\$122,706	\$122,706
41	Cash Balance, End of Period	\$122,706	\$122,706

STATEMENT OF CASH FLOWS
 (Optional) Increase/(Decrease) in Cash and Cash Equivalents
 For the Month Ended 04/30/06

	Actual	Cumulative
Cash Flows From Operating Activities	<u>Current Month</u>	<u>(Case to Date)</u>
1 Cash Received from Sales		
2 Rent/Leases Collected		
3 Interest Received		
4 Cash Paid to Suppliers		
5 Cash Paid for Selling Expenses		
6 Cash Paid for Administrative Expenses		
Cash Paid for Rents/Leases:		
7 Personal Property		
8 Real Property		
9 Cash Paid for Interest		
10 Cash Paid for Net Payroll and Benefits		
Cash Paid to Owner(s)/Officer(s)		
11 Salaries		
12 Draws		
13 Commissions/Royalties		
14 Expense Reimbursements		
15 Other		
Cash Paid for Taxes Paid/Deposited to Tax Acct		
16 Employer Payroll Tax		
17 Employee Withholdings		
18 Real Property Taxes		
19 Other Taxes		
20 Cash Paid for General Expenses		
21		
22		
23		
24		
25		
26		
27 Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$0	\$0
Cash Flows From Reorganization Items		
28 Interest Received on Cash Accumulated Due to Chp 11 Case		
29 Professional Fees Paid for Services in Connection with Chp 11 Case		
30 U S. Trustee Quarterly Fees		
31		
32 Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33 Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$0	\$0
Cash Flows From Investing Activities		
34 Capital Expenditures		
35 Proceeds from Sales of Capital Goods due to Chp 11 Case		
36		
37 Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities		
38 Net Borrowings (Except Insiders)		
39 Net Borrowings from Shareholders, Partners, or Other Insiders		
40 Capital Contributions		
41 Principal Payments		
42		
43 Net Cash Provided (Used) by Financing Activities	\$0	\$0
44 Net Increase (Decrease) in Cash and Cash Equivalents	\$0	\$0
45 Cash and Cash Equivalents at Beginning of Month	\$122,706	\$122,706
46 Cash and Cash Equivalents at End of Month	\$122,706	\$122,706